

Message Text

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E.O. 11652: N/A

TAGS: EAGR, AR

SUBJECT: ARGENTINE GRAIN NOTES

REF: FASTO 37

1. AGATT REVIEWED ARGENTINE FORWARD GRAIN SALES WITH PRESIDENT OF JUNTA NACIONAL DE GRANOS, REPRESENTATIVES OF MAJOR INTERNATIONAL TRADING FIRMS AND LOCAL GRAIN DEALERS. THERE ARE NO, RPT NO FIRM COMMITMENTS FOR DELIVERY OF ANY ARGENTINE GRAIN TO USSR IN 1976 AT THIS TIME. IN FACT, THERE APPEAR TO BE NO 1976 DELIVERY CONTACTS TO ANY DESTINATIONS OF ANY GRAINS. WHEAT DISCUSSION WITH USSR HAVE FALLEN THROUGH DUE TO EITHER OR A COMBINATION OF ARGENTINA'S INSISTANCE ON A RED LETTER CLAUSE FOR PREPAYMENT AND LACK OF SOVIET INTEREST IN GRAIN FOLLOWING SIGNING OF US AGREEMENT. PRESIDENT OF JUNTA SAID THAT GOA HAS NOT GIVEN UP EFFORTS TO SELL TO USSR AND HE ALSO EVENTUALLY HOPES THAT A SALE CAN BE MADE TO PRC, HOWEVER, PRIVATE FIRMS DO NOT THINK THAT USSR INTERESTED IN ADDITIONAL QUANTITIES OF WHEAT IN THE NEAR FUTURE. EVEN JUNTA PRESIDENT HINTED THAT SOVIETS MAY HAVE BEEN USING PRESS REPORTS OF POSSIBLE ARGENTINE PURCHASES AS PRESSURE FOR RAPID CONCLUSION OF US/USSR AGREEMENT.

2. FIGURE OF 2 MILLION TONS OF CORN MENTIONED IN REFTEL ALSO CITED BY SEVERAL SOURCES HERE AS A HYPOTHETICAL WORKING AMOUNT THAT MIGHT BE AVAILABLE FOR USSR IF 1976 CORN CROP EXCEEDS 9 MILLION TONS AND REFLECTS SURPLUS OVER NORMAL SALES LEVELS TO LIMITED OFFICIAL USE

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ITALY, CONTINENT AND POSSIBLY MEXICO. WHETHER AMOUNT WILL

ACTUALLY BE SHIPPED WILL DEPEND UPON PRICE AND FREIGHT RATES AT TIME OF LOADING. AS OF TODAY JUNTA HAS NOT SOLD ANY NEW CROP CORN, BUT WE UNDERSTAND THAT PRESIDENT OF JUNTA WOULD LIKE TO INITIATE FORWARD TENDERS SOONEST. THIS WEEK JUNTA SOLD 50,000 TONS OF OLD CROP CORN AT PUBLIC TENDER WHICH IS INTERPRETED AS INDICATION THAT JUNTA NOW HAS AMPLE STOCKS TO COVER COMMITMENTS.

3. FOLLOWING IS LISTING OF SALES AND/OR SHIPMENTS OF GRAIN TO USSR WITH LISTING OF FIRMS INCLUDED, HOWEVER, WOULD APPRECIATE THAT NAMES OF FIRMS BE HELD INTERNALLY: JUNTA LATE 1974, 250,000 TONS OF WHEAT, AND PRIVATE FIRMS TOTAL OF 230,000 TONS OF WHEAT IN LATE 1974 AND EARLY 1975. THESE SALES PLUS SALES OF CORN REFLECTED IN DECEMBER-JUNE WHEAT EXPORT STATISTICS TO USSR OF 493,100 TONS AND CORN JANUARY-JUNE WHEAT EXPORT STATISTICS TO USSR OF 493,100 TONS AND CORN JANUARY-JUNE FIGURE OF 556,370 TONS. SINCE JUNE FOLLOWING TRANSACTIONS IN WHEAT HAVE BEEN ARRANGED AS EXERCISE OF OPTIONAL DESTINATION CLAUSES IN SO-CALLED US SALES OF GRAIN TO USSR: SEPT. 10 (COOK) 30,000 TONS FOR SEPT./OCT.; SEPT. 16 (TRADEX) 35,000 FOR SEPT.; OCT. 2 (COOK) 2,000 FOR SEPT.; OCT. 7 (TRADEX) 25,000 FOR OCT./NOV.; OCT. 7 (COOK) 25,000 FOR OCT./NOV.; OCT. 16(TRADEX) 10,000 FOR OCT./NOV.; OCT. 16 (COOK) 40,000 FOR OCT./NOV.; OCT.22 (TRADEX) 35,000 FOR DEC.; AND OCT. 22 (COOK) 50,000 FOR DECEMBER. TO THIS TOTAL OF 252,000 TONS MUST BE ADDED 150,000 TONS OF WHICH 36,000 WERE SWITCHED TO ITALY AND 80,000 TONS PURCHASED SOMEWHAT EARLIER BY SASERU FOR JULY-DECEMBER DELIVERY. THUS, JULY-DECEMBER TOTAL IS 446,000 TONS OF WHEAT. MOST RECENT SALE BY JUNTA (OCT 22) WAS OPTIONAL OLD AND/OR NEW CROP WHEAT.

4. ACTION REQUESTED: PRESIDENT OF JUNTA ASKED AGATT FOR SUMMARY OF US PL-480 AND CCC PROGRAMS IN SOUTH AMERICA. PLEASE PROVIDE LISTING OF ELIGIBLE COUNTRIES, AND QUANTITIES FOR 1975-76 OR CY-1976. VERY GOOD AND LONG-TIME GRAIN CONTACT OF OFFICE ASKED FOR INFO ON US PROPOSAL ON GRAIN RESERVES MADE RECENTLY IN LONDON. PLEASE PROVIDE CABLE SUMMARY AND TEXT VIA POUCH.
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